

## Message Text

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ORIGIN EB-11

INFO OCT-01 ARA-16 ISO-00 CAB-09 CIAE-00 COME-00 DODE-00

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ARA/APU - MR. ORTIZ

CAB - MRS. COLDREN

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R 021704Z APR 74

FM SECSTATE WASHDC

TO AMEMBASSY BUENOS AIRES

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E.O. 11652: N/A

TAGS: ETRN, AR

SUBJECT: CIVAIR - BILATERAL RELATIONS

REF : BUENOS AIRES 2064, 2066, 2073

1. DEPT AGREES GENERALLY WITH EMBASSY'S RECOMMENDATIONS.

WE WILL PREPARE A DETAILED RESPONSE TO WITTE'S CRITERIA PAPER IN ORDER THAT WITTE AND PARTICULARLY OTHERS WILL NOT BE UNDER MISAPPREHENSION CONCERNING FACTS AND US POSITION. PREPARATION DETAILED RESPONSE WILL, HOWEVER, TAKE SOME TIME.

2. IN MEANTIME, DEPT CONSIDERS IT IMPORTANT TO MAKE FOLLOWING POINTS TO GOA AT APPROPRIATE OCCASIONS, BOTH HERE AND IN BUENOS AIRES:

A. WE DO NOT CONSIDER CONSULTATIONS WERE RECESSED TO GIVE USG FURTHER TIME TO CONSIDER "COTERMINALIZATION OF MIAMI AND LOS ANGELES". THIS PROPOSAL WAS NEVER CONSIDERED

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IN FORMAL SESSIONS. THIS SUGGESTION ALONG WITH US

SUGGESTION FOR ONE YEAR DEAL WAS EXPOSED AT MEETING BETWEEN AMBASSADOR AND DEPUTY ASSISTANT SECRETARY BOWDLER. BOTH SUGGESTIONS WERE REJECTED INFORMALLY. FORMAL MEETINGS WERE SUSPENDED ON BASIS LAST FORMAL POSITION EXPRESSED BY EACH SIDE WITH UNDERTAKING BY BOTH SIDES TO REVIEW THE FORMAL POSITIONS.

B. INABILITY REACH AGREEMENT AT RECENT TALKS ON CHANGES IN, AND POSSIBLE EXPANSION OF, 1972 UNDERSTANDING DOES NOT LEAVE THAT UNDERSTANDING IN A STATE OF SUSPENSION. USG HAS NEVER AGREED SUSPEND THE UNDERSTANDING. CONSEQUENTLY, THERE IS PRELIMINARY QUESTION OF ITS LACK OF IMPLEMENTATION BY GOA.

C. AS US OFFICIALS HAVE ALREADY STATED (PARA 5 STATE 43665), PARTIAL IMPLEMENTATION OF 1972 MEMO BY GOA, WITH WITHOUT REFERENCE TO UNDERSTANDING, WOULD TEND TO REMOVE PRESSURES FOR USG TO RECONSIDER VALIDITY AEROLINEAS EXISTING COTERMINAL RIGHTS (MIAMI/NEW YORK) GRANTED APRIL 1973. BY PARTIAL IMPLEMENTATION WE MEAN IMMEDIATE APPROVAL NINTH COMBINATION FREQUENCIES FOR BOTH PAN AM AND BRANIFF. ALSO, POSITIVE ACTIONS BY GOA WOULD IMPROVE CLIMATE FOR CAB ACTING FAVORABLY ON AEROLINEAS FREQUENCY EXPANSION. (SEE PARA 3 BELOW).

D. ADDITIONAL RIGHTS FOR ARGENTINA (INCLUDING NEW COTERMINAL RIGHTS) AND ADDITIONAL RIGHTS AND FREQUENCIES FOR US AIRLINES ARE MATTER FOR FUTURE NEGOTIATIONS. WHILE USG CONTINUES STUDY POSSIBLE BASIS FOR SUCH NEGOTIATIONS, IT IS QUITE CLEAR THAT CLIMATE FOR SUCH TALKS WOULD BE MUCH IMPROVED IF GOA COULD MEET US AIRLINE IMMEDIATE FREQUENCY REQUIREMENTS, I.E. ONE ADDITIONAL FREQUENCY EACH.

E. IN BRIEF, US SEES THAT THERE MUST BE A STEP-BY-STEP APPROACH TO BILATERALISM IN ORDER TO AVOID BASIS FOR ONE SIDE OR OTHER ACTING UNILATERALLY. GOA CALL FOR TRADE INVOLVING RIGHTS WE HAVE ALREADY AGREED BILATERALLY (18 FREQUENCIES) AND RIGHTS FOR AEROLINEAS WHICH GO BEYOND THOSE WE HAVE ALREADY AGREED BILATERALLY (WE ASSUME THIS LIMITED OFFICIAL USE

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IS GIST OF WITTE PROPOSAL) IS NOT AN ATTEMPT TO RESOLVE MATTERS THROUGH BILATERALISM BUT IS, IN FACT, AN ATTEMPT TO EXTRACT UNILATERAL CONCESSIONS FROM US.

F. US DOES NOT ACCEPT VALIDITY OF POINTS IN ARGENTINE CRITERIA PAPER THAT THERE WERE, IN EFFECT, UNCOUNTED BENEFITS FOR US IN 1972 UNDERSTANDING WHICH NOW WARRANT ADDITIONAL BENEFITS FOR AEROLINEAS, AND US WILL RESPOND IN

DETAIL ON THESE ALLEGATIONS IN DUE COURSE.

3. ON MARCH 29, AEROLINEAS FILED NEW SCHEDULES WITH CAB FOR EFFECTIVENESS MAY 1 SHOWING A PROPOSED INCREASE FROM 13 TO 16 FREQUENCIES. FYI. WE NOT CERTAIN WHAT POSITION CAB MAY TAKE. HOWEVER, UNLESS ADDITIONAL FREQUENCIES APPROVED FOR PAN AM AND BRANIFF, CAB LIKELY RECOMMEND DENIAL OF ANY AEROLINEAS FREQUENCY INCREASE, AND IT MAY RECOMMEND

APPROVAL ONLY ON A ONE FOR ONE BASIS (E.G. TWO FOR AEROLINEAS IF GOA APPROVES ONE EACH FOR BRANIFF AND PAN AM)  
END FYI. RUSH

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 02 APR 1974  
**Decaption Date:** 01 JAN 1960  
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**Disposition Approved on Date:**  
**Disposition Authority:** MorefiRH  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
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